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Department of the Army

Oral Statement

Of

**The Honorable John Paul Woodley, Jr.
Assistant Secretary Of The Army
(Civil Works)**

before

**Subcommittee on Water Resources and
Environment
Committee on Transportation and
Infrastructure
United States House of Representatives**

on

**The Army Civil Works Program
Fiscal Year 2005**

February 26, 2004

Mr. Chairman and distinguished members of the [Committee and the] Subcommittee:

I very much appreciate the opportunity to testify before this Subcommittee on the President's Fiscal Year 2005 budget for the Civil Works function of the Army Corps of Engineers. I am accompanied this morning by Lieutenant General Robert Flowers, the 50th Chief of Engineers.

With your permission, Mr. Chairman, I would like to summarize my statement and ask that the complete statement be included in the record.

[pause]

The total Fiscal Year 2005 Civil Works budget is \$4.2 billion, about the same as last year's total budget. However, to develop this year's budget, we began the use of a performance-based approach built around programmatic goals for our eight business programs. This approach has enabled us to make effective use of the funding available to us while the war on terror continues. A great deal of hard work is in store as we improve this approach, but we are fully committed to this effort.

For new projects, the budget focuses on commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. The budget directs substantial

funding to the ongoing construction projects that have among the highest economic and environmental returns for the Nation, including eleven projects being completed in Fiscal Year 2005, eight projects that are high priorities, and a number of dam safety and seepage correction projects. The budget also funds three high-return construction new starts.

Funding to plan or design new projects is limited, and is targeted to the most productive study and design activities, including five new studies, 23 design efforts, and the current phases of ongoing studies, including the expanded Louisiana Coastal Area Study.

The budget does not include any funding for beach renourishment. Our view is that non-federal interests should carry out renourishment activities once the initial nourishment has been accomplished, just as they operate and maintain other types of projects once the installation is complete. This policy applies to all types of projects involving beach renourishment. There is one exception in Fiscal Year 2005, where we must perform renourishment to meet our obligations under a court order.

To free up funding for higher priority needs, the budget proposes to cancel the unobligated balances of projects that are not the best investments or are not Civil

Works responsibilities. The cancellation would take effect with enactment of Fiscal Year 2005 appropriations. The amount that would be cancelled is estimated at about \$100 million.

The budget includes a number of initiatives for the operation and maintenance of our existing projects. First, we would finance, up front, the operation and maintenance costs of hydropower facilities with funds provided by three Federal power marketing administrations. Second, we would accomplish recreation modernizations by using new fees and by entering into planning and management partnerships. Third, we would continue

anti-terrorist protection at key projects and facilities. Fourth, we would reserve funds to accomplish unforeseen and urgent maintenance and repairs at key projects.

The budget provides substantial funding for the emergency management program and the regulatory program, which have been judged as moderately effective using performance metrics.

As for the five initiatives in the President's Management Agenda, we started out in 2002 with “red” status ratings across the board. Our status rating for the human capital initiative now is “yellow,” and

we have “green” or “yellow” progress ratings for all five initiatives.

I have three priorities for the Civil Works program. You will see these priorities reflected in part in this budget and to a greater extent in the next budget. One priority, as mentioned, is to develop the Civil Works budget and manage the program based on objective performance measures. The second priority is to improve analytical tools for water resources planning and decision-making. The third priority is to improve the effectiveness and efficiency of the regulatory program.

This is a frugal budget that reflects the priorities of a nation at war.

Understandably, it does not fund all the good things that the Corps of Engineers is capable of doing, but it does move ahead with many important investments that will yield enormous returns for the Nation in the future.

Thank you, Mr. Chairman.